SPECIAL REPORT

THE HOSTILE INTELLIGENCE ESTABLISHMENT IN THE FEDERAL REPUBLIC OF GERMANY (U)

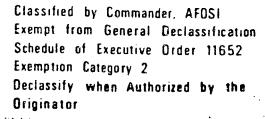


HEADQUARTERS

AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

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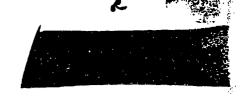
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INTRODUCTION (U)

- (U) Germany, a divided country at the crossroads of Europe, has been a focus of international tension since the conclusion of World War II. While the spirit of detente and efforts to establish a policy of reconciliation have served to reduce the stresses and strains, they have not resulted in any relaxation of hostile intelligence activities.
- (U) The Federal Republic of Germany encompasses the western and southern portions -- nearly seven-tenths -- of the Germany remaining after World War II. The other portion is ruled by the communist regime of the German Democratic Republic.
- excluding the USSR. The population (including West Berlin) is about 62 million and the total area approximates that of the States of New York and Pennsylvania, or the State of Oregon. One of the most densely populated countries of Europe -- only Belgium and the Netherlands being more so -- the FRG has a population density of 650 per square mile, nearly 12 times that of the United States. There are virtually no sparsely settled sections and about four-fifths of the population reside in urban areas. The City of West Berlin, an enclave deep inside the GDR, has a population of more than two million.
- (U) The Basic Law of 23 May 1949 continues to serve as the constitutional basis of the Federal Republic in the absence of a definitive constitutional document encompassing all of Germany. By its terms, West Germany is a Federal Republic in which authority is shared between its ten states (Laender) and the Federal Republic (Bund). While West Berlin is also a state in the Republic under the Basic Law, it is not an integral part of the Republic because of restrictions arising out of four-power relations. Berlin has nominal representation in the Federal legislature, but its delegates cannot vote in the plenary sessions.
- (U) Civil liberties, such as equality before the law, the equivalent of habeas corpus, and freedom of speech, assembly, religion and the press are explicitly quaranteed in the Bill of Pignts section of the Pasic Law.



- (U) The Federal Republic is responsible for national defense, foreign affairs and such matters as customs control, border police, transportation, citizenship, postal systems and telecommunications. The states control the police, education and radio and TV broadcasting and have the residual powers.
- (U) The Federal Republic, nominally headed by a President, has a bicameral legislature with the principal power vested in the National Assembly (Bundestag) whose members are elected by universal suffrage. The Federal Assembly (Bundesrat) represents the states and its members are appointed and recalled by the states. It has a limited role, but can exercise veto powers in matters affecting states' interests. The Chancellor depends on majority support of the Bundestag and with his ministers constitutes the government leadership.
- (U) The Federal Republic made an impressive recovery from its World War II debacle and has one of the highest standards of living. Its relative affluence has contributed to social stability and engendered moderation in political, social, economic and labor issues. There were several outbursts in recent years of bombings and other forms of violence perpetrated by radical extremists. However, the apprehension of ringleaders and cadres, and various countermeasures, nave reduced the threat considerably. Demonstrations against U.S. foreign policy have subsided, especially with the termination of nostilities in Vietnam. The large number of foreign workers in the FRG presents a continuing security problem because of the presence of leftist and rightist extremists. Arab terrorists are a serious problem because of their mobility, funds, weapons and violent inclinations against the Israelis and those who support them.
- (U) The vigorous industrial economy (exceeded only by the U.S., USSR and Japan in gross national product) is highly diversified and supports large research and development programs. A strong scientific, industrial and technical instruments industry provides the capabilities to sustain applied advanced research and development. The FRG is an active participant in the United Nations and its various agencies and in European regional groups, as well as other multilateral programs. It has entered into many bilateral agreements with various countries, including with the



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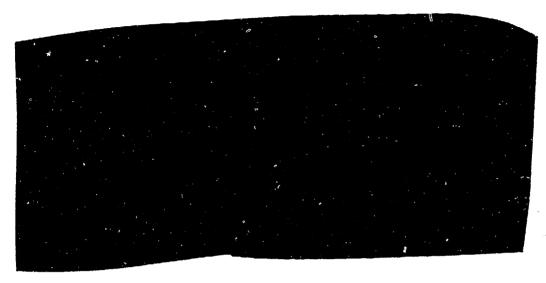
United States and Canada in space research. German academic and industrial research institutes have relations with the USSR Academy of Science and there are continuing exchanges of scientists. The FRG, moreover, is the largest trading partner among the Western nations with the USSR.

(U) The FRG is very dependent on foreign trade for markets and imports of raw materials and energy resources. Like other industrialized nations, it is being buffeted by continuing inflationary trends and other problems and conditions of international dimensions.

FRG SECURITY SERVICES (U)







THE FEDERAL REPUBLIC AS A MAJOR TARGET [U]



¹⁽U) Under the terms of the 1954-1955 London and Paris Agreements — which restored German covereignty and admitted the FRG to NATO — only the FRG among the alliance members is required to commit its combat forces (except for a small territorial defense force) to NATO commands. The agreement sets forth prohibitions, restrictions and controls on Jest German rearmament. A separate organization, the MEU, was established essentially to enforce these and to integrate the rearmament of the FRG into Western defense.



The Military Establishment in the Federal Republic (U)



The Air Force Establishment (U)



 $^{^2}$ (U) French forces are maintained in the FRG in accordance with a bilateral agreement between the two countries.



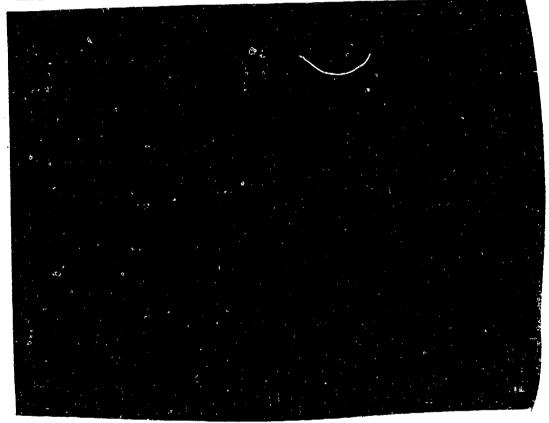
(U) There are three major Luftwaffe commands: the Air Tactical Command which is responsible to NATO for the combat readiness of four air divisions; the Air Support Command, responsible for support and supply functions; and the General Air Force Office, responsible for basic and pilot training, air transportation and technical training. The headquarters for these commands are at Porz-Wahn, north of Bonn.

(U) Two Luftwaffe Air Divisions (1 and 2) are assigned to NATO's Fourth Allied Tactical Air Force, which also has U.S. and Canadian tactical units and supports the Central Army Group. Two Air Divisions (3 and 4) are assigned to the Second Allied Tactical A. Force (2nd ATAF), which has its headquarters at Moenchen-Sladbach and provides air support to the Northern Army Group (MORTHAG). The 2nd ATAF also has British, Dutch and Belgian tactical units and a USAF air defense squadron at Soesterberg AB in the Netherlands.



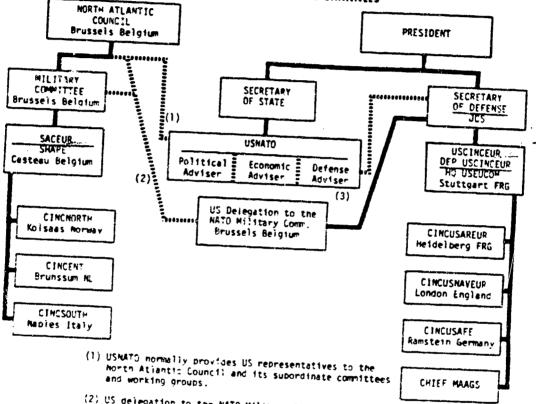


Other Incentives to Hostile Intelligence (U)



³⁽U) Both ATAFs support the Army Groups of Allied Forces Central Europe (AFCENT) with headquarters at Brunssum, Netherlands, which comprises all land and air forces in the Central Sector (FRG and the Benelux countries). There is also AFNORTH with headquarters at Kolsaas, Norway, and AFSOUTH with headquarters at Naples, Italy. All three constitute the Allied Command, Europe (ACE) under the Supreme Allied Commander, Europe (SACEUR) with headquarters (SHAPE) at Casteau, Belgium (Figure 3).

SACEUR USCINCEUR COMMAND CHANNELS



- (2) US delegation to the NATO Military Committee normally
- provides US representatives to the NATO Military Committee and its subordinate working groups.

(3) The Defense Adviser is normally appointed by the Secretary of Defense.

(Figure 3)

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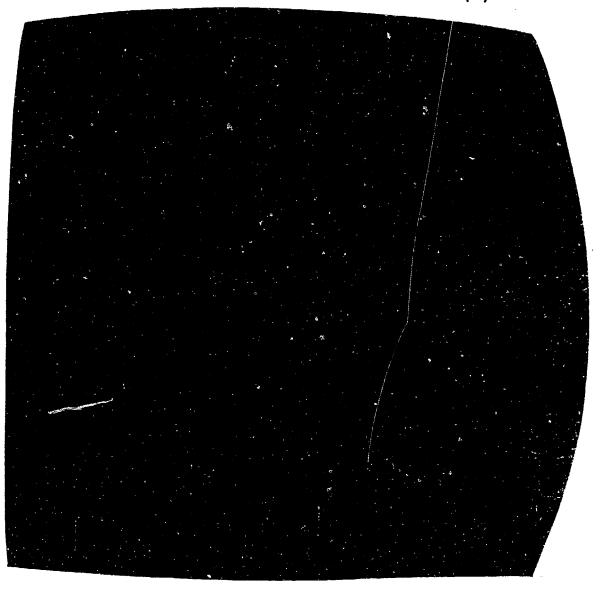




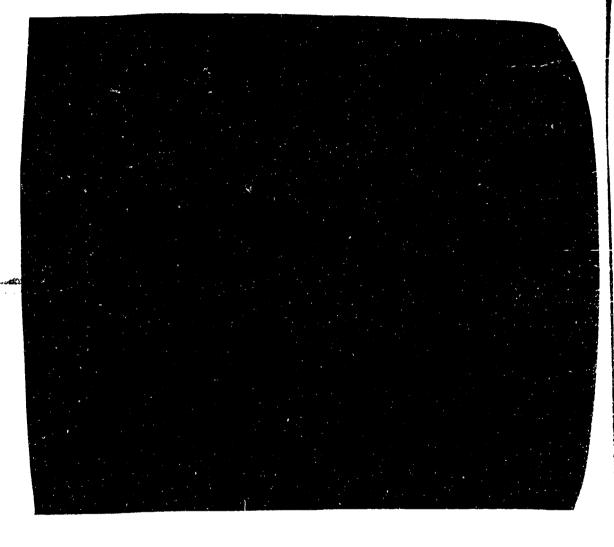


⁴⁽U) The Air Attache to the Soviet Embassy in Paris was caught in the act of stealing two items from a display at the Paris Bourget Airshow on 29 May 1973. He had been seen going back to the display area after regular visiting nours, wearing the Maple Leaf of the Canadian delegation on his label, and was arrested while putting the items in his pocket. The items were a laser-radar element manufactured by the Thompson-CSF and a gyroscope from the Sperry-Rand display. He was ousted from France.

OPERATIONAL ENVIRONMENT AND VULNERABILITIES (U)



⁵(U) The Ministry for State Security (MfS), like the KGB, is a combined security and intelligence entity. Its foreign intelligence operations are conducted by the Main Administration for Intelligence (HVA).

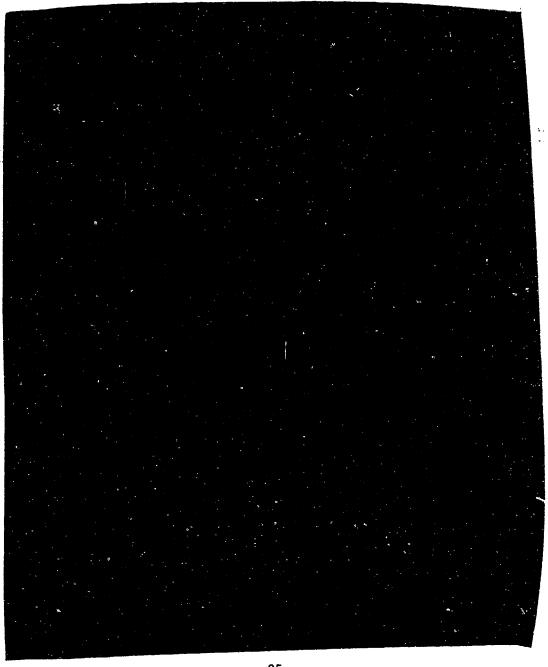


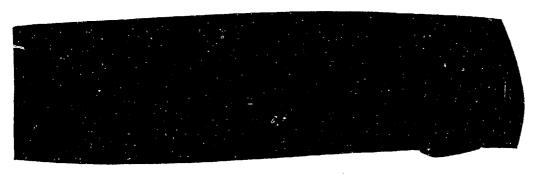
PRC MISSION (U)

(U) The People's Republic of China (PRC) and the FRG agreed to establish diplomatic relations in October 1972 and the first PRC

⁸(U) AFOSI Special Report entitled, <u>The Czech Intelligence and Security Services</u>, April 1974, has additional information about the role and capabilities of the Czech services.

ambassador presented his credentials on 20 June 1973. He nad previously served for two years as head of the New China News Agency (NCNA) in Bonn.





(U) PRC diplomats have voiced support of NATO and stated European security is essential to thwart Soviet attempts to "Finlandize" Europe and that a revitalized NATO is necessary. They reportedly have affirmed that a continued U.S. presence in Europe is necessary and point to the Soviet invasion of Czechoslovakia as an example of Soviet ambitions.

YUGOSLAV MISSION (U)



HOSTILE INTELLIGENCE OPERATIONS IN THE FRG (U)

